GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:4369
ANSWERED ON:22.08.2001
CENTRAL ASSISTANCE FOR STATE PLAN
VSM (RETD.) COL. CHOUDHARY

Will the Minister of PLANNING be pleased to state:

(a) whether the Central Assistance for State Plan consists of two components;

(b) if so, the details thereof;

(c) whether the Union Government have received any representation from Rajasthan Government for increase in Central Plan Assistance and review of two fold loan grant pattern of the assistance;

(d) if so, the reaction of the Government thereto;

(e) whether Government propose to review the formula for Central Plan Assistance and loan-grant pattern of assistance to States; and

(f) if so, the time by which the formula is likely to be reviewed?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) & (b): As per the Gadgil Formula, Normal Central Assistance to State Plans consists of 70% loan and 30% grant to Non-Special Category States and 90% grant and 10% loan to Special Category States.

(c): The State Government of Rajasthan has requested Special Category Status for Rajasthan in view of the large desert area the State has and thereby a change of loan-grant pattern of assistance to the State.

(d), (e) & (f): Various States, including Rajasthan, have sought a revision of the Gadgil Formula. The issue is under consideration.